

DEVELOPING ALABAMA



ALABAMA
A Better Place To Build A Better World

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Plan To Increase State's Skilled Workforce

Alabama is launching a strategic plan to help make workers across the state more efficient. The 2008-09 Strategic Plan for Workforce Development will serve as a blueprint for state agencies that provide services for job seekers and employers, said Matthew Hughes, director of the Governor's Office of Workforce Development.

Under the plan, state agencies and the two-year college system will work with partners to provide "a skilled workforce for the future," Hughes said in a statement. The plan seeks to increase the number of skilled workers in the state labor pool through expanding enrollment in technical education, expanding the GED program and providing those who complete Alabama's ready-to-work program and GED recipients six credit hours of tuition-free instruction in high-demand, high-wage courses.

Robotics Center Coming Soon

A Huntsville representative of the Alabama Industrial Development Training said the state should be ready to break ground for the Advanced Technology Robotics Research and Development Complex in October or November.

Ronnie Smith, Huntsville AIDT Center manager, said the three-phase robotics center will include the Robotic Maintenance Training Center, a 40,000-square-foot facility where technicians will be trained to work on robotics machinery. The second facility, Advanced Technology Research and Development Center, will be used by the space industry and military for robotics research. NASA and the U.S. Army Missile Command in Huntsville will use the building to conduct research, development and testing. The third facility, the Integration and Entrepreneurial Center, would be used by companies to build and adapt robots for new industries.

Each of the three centers in the complex will target a specific need in the robotics industry with about 450 people to be trained at the facility each year.



Gov. Riley takes a turn at assembling a diesel engine at Navistar Engine Group's new plant

Governor Praises Workers at New Navistar Plant

HUNTSVILLE - Governor Bob Riley praised Alabama's workforce for helping to attract new companies to the state during an event at Navistar Engine Group's new Huntsville plant.

Governor Riley and Navistar officials dedicated the company's new 300,000-square-foot plant where workers will assemble diesel engines. Huntsville is home to another Navistar engine plant and both plants employ 361 employees.

"There are many places Navistar could have chosen to build this plant. They are here for one reason and one reason only, and for that I want to thank you," Governor Riley told Navistar employees. "The outstanding work ethic Alabamians have has really separated us from the rest of the world."

The Governor also noted in his remarks that Alabama was one of only five states in the nation that saw its unemployment rate drop last month. The state's August unemployment rate stood at 4.9 percent, while the national rate increased to 6.1 percent.

FOCUS ON TRADE

Hong Kong Visit

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Going Global

Hong Kong Official Visits Alabama

MONTGOMERY - Governor Bob Riley met with Hong Kong's highest ranking official in the United States to promote stronger economic ties.

The Governor met with Margaret Fong, Hong Kong Commissioner to the United States. As commissioner, she directs Hong Kong's activities to encourage economic and trade relations between Hong Kong and the U.S. Commissioner Fong oversees the work of three Hong Kong Economic and Trade Offices in Washington, New York and San Francisco.

Gov. Riley led a delegation of Alabama business leaders to Hong Kong in April during a trade mission to China. "Exports have been one of our economy's strong points during the past few years. We can increase that strength by exploring new export opportunities for Alabama businesses in Hong Kong and other parts of Asia," said Governor Riley.

The Port in Mobile would directly benefit from new trade opportunities, Governor Riley said. "The improvements at our port put us in a stronger position to compete for business on a global scale," he said.

Gov. Riley also told Commissioner Fong the state is considering opening an economic development office in Hong Kong, which would help existing Alabama companies that want to export their products to Asia and help build stronger relationships with Asian business



Gov. Riley greets Hong Kong Commissioner Margaret Fong in his office at the capitol.

leaders. "Good relationships matter because they lead to more opportunities for our companies to compete in foreign markets. By hosting distinguished visitors such as Commissioner Fong, we develop stronger relationships, which can lead to new investment and economic opportunities for Alabama," said Gov. Riley.

Alabama companies exported \$111.9 million worth of merchandise to Hong Kong in 2007, and the state imported \$14.8 million from Hong Kong. Globally, state exports rose to a record \$14.4 billion in 2007. Since 2004, exports from Alabama have risen almost 60 percent.

Governor Meets with South Korean Ambassador

MONTGOMERY - South Korean Ambassador Lee Tae-sik met with Gov. Bob Riley in August to generate support for a Korea-United States Free Trade Agreement.

The ambassador said a wide-range of products produced in Alabama - from eggs to automobiles - could benefit significantly with the passage of an agreement. The deal would be the largest free trade agreement for the United States since the North American Free Trade Agreement linked the United States, Canada and Mexico in 1993.

It would eliminate 100 percent of tariffs on all industrial, forestry and maritime products, with nearly 95 percent of those goods becoming duty-free within three years. The agreement also would eliminate duties for more than half

of U.S. farm exports to Korea. Korea was Alabama's 7th largest export market for goods in 2007, with exports of more than \$566.4 million and the country accounted for more than \$1.2 billion in two-way trade through the port of Mobile the same year.

"Most of our markets are totally open today. The only thing to do now is to remove the tariffs that have prevented our exports to these countries," Riley said. "But what we have to do is assure that we not only have free trade but fair trade," he said. "If you look at the tariffs as they exist today, it is very difficult for products like automobiles to be exported because of an eight percent tariff. We can do better than that."

BUSINESS NEWS



Biotech

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High-Tech

Alabama "State of the Year" Again

MONTGOMERY-- Gov. Bob Riley visited expanding businesses in the aviation, life sciences and automotive fields in three cities to announce Alabama has been named "State of the Year" by a trade magazine for its economic development performance in 2007.

This is the fifth time in the last six years Alabama has been ranked the South's top economic development state by Southern Business and Development magazine. The magazine, which covers economic development activity in 17 states, uses a point system based on announcements of 200 jobs or more and/or capital investments of \$30 million or more to rank the states. Alabama has been named "State of the Year" for 2002, 2003, 2004, 2005 and now 2007.

To celebrate the news, Governor Riley and Alabama Development Office Director Neal Wade visited three companies that announced expansions and new jobs last year: Westwind Technologies in Huntsville, Brookwood Pharmaceuticals in Birmingham and Hyundai outside Montgomery.

Plant To Create 175 Jobs in Selma

SELMA -- A New York-based company announced Tuesday that it plans to invest \$15 million and hire up to 175 workers in the next two years at a container facility in Dallas County.

Alliance Composites Alabama will operate a manufacturing plant at the Craig Industrial Park just outside Selma and begin hiring soon, company spokesman Jim Solano said. The company is expected to hire up to 60 workers in the next four months, "ramp up to 175 jobs within the second year" and could increase its capital investment by another \$10 million.

Medical Parts Maker To Expand

An Athens manufacturer that makes screws for replacement hips and other parts plans to invest \$3.5 million in its facility and hire 15 new employees over the next three years.

Turner Machine, founded in 1975, used to make other parts but switched to medical parts. The company plans to have 65 employees by 2011.

Plant To Bring 50 Jobs to Calera

Hunts Southern Rail Services, a company that refurbishes railroad cars, will soon be setting up shop in Calera. The company will employ about 50 people the first year.

"The site is in the heart of the city," said Mitt Schroeder, a member of the city's industrial development board. "It's an absolute perfect fit because the rail cars will be railed in and it's not going to create a lot of new truck traffic."

The company will invest about \$10 million in new structures and improvements to the site, Schroeder said. "We are very proud to have successfully landed Southern Rail Services," he said. "Our goal is to continue to land good companies that provide good employment and enhance the quality of life in Calera."

NAFCO Adding Jobs in Cullman

A Cullman County industry recently began an expansion expected to create more than 30 jobs for the area.

The North Alabama Fabricating Company (NAFCO), located in the Cullman Industrial Park, broke ground this month on its first expansion since it moved to the area in 2001.

"We're putting on another bay in our paint shop, which is about a third of our operations," said Jack Zeanah, human resources director for NAFCO. Zeanah said the \$3 million expansion should be finished by the end of the year. NAFCO currently has 243 employees.

FOCUS ON PARTNERSHIPS

Trade Association Celebrates 25th Year

HUNTSVILLE -- The North Alabama International Trade Association celebrated its silver anniversary this month with a gala at the Davidson Center for Space Exploration.

4 NAITA, which serves a 12-county area, began 25 years ago as an educational effort to promote international trade and networking, said Anne Burkett, who leads NAITA in her position as director of planning and economic development for Madison County.

Alabama exports have increased from \$5 billion in 1996 to \$14 billion last year, pushed along by the efforts of the North Alabama International Trade Association. Exports from the Port of Huntsville alone totaled \$1.55 billion last year, and NAITA's efforts in helping guide companies through the maze of federal export controls for defense and dual-use products, for example, played a key role.

Hilda Lockhart, director of the international trade division for the Alabama Development Office, said NAITA does more trade-promotion programs and trade-related seminars for business than any group in Alabama. "We couldn't do what we do without them," Lockhart said.

Foster Perry, a manager at Teledyne Brown Engineering in Huntsville, serves as NAITA's president. The board includes

executives from many of Huntsville's leading companies, including Intergraph, SirsiDynix, Panalpina and PPG Industries, as well as small-business owners and local economic development specialists.

Perry said NAITA helps companies looking at overseas markets. "We are a resource that can help them jump right into international trade opportunities," he said.

NAITA has programs on trade promotions and educational outreach and provides scholarships for students at Athens State and UAH. The group also helps North Alabama communities develop in areas that ensure they can be competitive in a global economy, Burkett said.



Chambers Hope To Create Regional Partnerships

SYLACAUGA — Chamber of Commerce president Joe Richardson and Childersburg Chamber president Pete Storey met with other chamber directors recently in hopes of creating a partnership between the organizations in cities along U.S. 280.

Richardson and Storey met in Alexander City with Marvin Wagoner, that city's chamber president, and Wendi Routhier, Opelika chamber president, for the first meeting of the group. Auburn Chamber of Commerce president Lolly Steiner and Phenix City-Russell County Chamber president Victor Cross will also participate in the partnership, according to Storey.

Storey said the meeting served as a sort of introduction to the individual chambers, "We wanted to see if this partnership is something we wanted to continue," Storey

said. The group said they think the linking of the chambers is a positive idea for their communities.

"I think it's important for us to have an open line of communication to work together because being on the 280 corridor, and it being one of the main thoroughfares between the Birmingham metropolitan area and all the way down to Florida, the chambers need to work together to promote things like continuing traffic improvements along 280 and economic development along 280," Richardson said. "Because (having) 280 is almost like having an interstate, and the chambers along 280 have a vested interest in how 280 develops because it's the gateway to Birmingham." In addition to promoting highway commerce, Richardson said the chambers are going to coordinate events to prevent competing events that would be "a regional draw."

State Focusing on Targeted Industry Sectors

Alabama is focusing on expanding three industries to broaden the state's economic base, Alabama Development Office Director Neal Wade said recently.

"Automotive suppliers, aerospace and life sciences are the three target industry sectors we're looking to expand," he said.

Gov. Bob Riley also said he wants to build Alabama's biotech base at the University of Alabama at Birmingham and in Huntsville and continue to focus on automotive and aerospace suppliers.



Neal Wade

"With thousands of automotive assembly and supply jobs in the state, it makes sense to expand what's here," Wade continued. "And, we'll compete aggressively for every mega project that looks toward the Southeastern United States," he said.

According to the Alabama Automotive Manufacturing Association, the industry in 2007 was responsible for 48,457 direct jobs at 285 plants.

Besides home-based auto plants, Alabama is centrally located to a new Toyota Prius plant about 30 miles from west Alabama in Tupelo, Miss., a Kia automotive plant just over the Georgia state line on Interstate 85, and the new \$1 billion Volkswagen assembly plant announced in July for Chattanooga, Tenn. "We're focusing on suppliers for those companies," Wade said.

Wade said the strategy will flow into 2009. "We're going to go back and look at all the companies we attracted during this administration, call on each one, and make sure we delivered everything we said we would, and are we doing everything we can do to help each one expand," he said.

"That is the best economic development-to help our existing business base," Wade said.

Auburn Technology Park Welcomes Selzer Automotive

Auburn's newest technology park welcomed its second tenant in August. Selzer Automotive, LP broke ground on a 64,000 square foot facility in Auburn Technology Park West.

Earlier this year, Gov. Bob Riley announced Selzer's plans to construct its first US facility in Auburn at the 10th Anniversary Celebration of The Alabama-Germany Partnership held in Huntsville.

Selzer has been a renowned name in precision engineering for more than 80 years, developing and manufacturing metal components and subassemblies for gearboxes, engines, braking systems, and professional electrical power tools. The company, based out of Driedorf-Roth, Germany, employs more than 600 people at its German and Brazilian locations and is one of the foremost suppliers for the automotive and electrical power tool industries.

The first phase of production at the Auburn location will include the production and assembly of transmission components for a dual-clutch system for the US auto industry. Dual-clutch systems improve driving performance and provide better gas mileage than traditional clutch systems.

The company will invest an estimated \$22 million in

Auburn's economy and create 80 new employment opportunities.

Hans-Joachim Selzer, president of the Germany parent company Selzer Fertigungstechnologie GmbH & Co. KG, commented, "Today marks the beginning of a new chapter in our company's history with the groundbreaking of our first US facility. We are excited to bring our production to the US."

"After months of considering several US locations, we ultimately decided on Auburn because we were convinced that Auburn was the right place for us. Our new facility will better allow us to serve our existing customer base in addition to expanding production in the future," he added.

"I could not be more pleased with the success that our third technology park has seen to-date," said Dr. Paul Parks, Chairman of the City of Auburn's Industrial Development Board. "This park is the result of a collaborative effort between the City, Lee County, State officials, and the Alabama Department of Transportation. It took a tremendous amount of work on each of these entities' parts to get us here and we appreciate all that they have done to help us in continuing our mission of bringing high quality, high wage jobs to Auburn."

FOCUS ON INDUSTRY

National Alabama Railcar Largest Plant To Receive Federal Environmental Rating

9 National Alabama officials have learned that their new Alabama plant is the largest industrial facility in the world that meets requirements for a federal program called Leadership in Engineering and Environmental Design.

The leadership program, better known by the acronym LEED, was established by the nonprofit U.S. Green Building Council. The group established a Green Building Rating System that has become the nationally accepted benchmark for the design, construction and operation of high-performance green buildings, according to the system's Web site.

The site states that more than 1,500 buildings have received LEED certification since the program was introduced in 2000, and 11,000 more are seeking it.

That was a goal of National Alabama's from the start, said Greg Aziz, chairman and chief executive officer for National Steel Car. National Alabama is a subsidiary of National Industries Inc., which is the parent company of National Steel Car.

"We want to be responsible custodians of the property and county," Aziz said during a recent tour of the plant's progress. "We've done as much as we could to be kind to the environment."

"We stressed an environmental and associate-friendly atmosphere on the property from the get-go."

Forrest Wright, executive director of the Shoals Economic Development Authority, said the LEED certification is an example of National Alabama wanting to be a good industrial neighbor in the Shoals. "Just the fact that, at completion, it'll be the largest LEED-certified facility in the world is a testament in itself," Wright said. "It'll be a good example for the projects in the future."

Mark Nichols, project engineer at the plant's construction site, said he researched information from the building council and discovered National Alabama's 2.2-million-square-foot structure is the largest project to reach the certification.

Construction of the plant started in February. The first railcar is scheduled to roll out in February 2009.



Small Businesses Can Go Global Through Trade

Approximately two dozen individuals attended a business breakfast at the Eufaula-Barbour County Chamber of Commerce where they learned about trade opportunities - especially for smaller businesses.

Hilda Lockhart of the Alabama Development Office told those in attendance that small and medium-sized businesses were the "backbone" of trade in Alabama.

Those in attendance learned more about the state's trade strategy for 2008 and the importance of exporting products to other nations. The report states that smaller companies engaged in international business are more stable, achieve higher growth rates and pay higher wages when compared to their counterparts that only sell domestically. Approximately 29 percent of Alabama's manufacturing operations and service

providers are involved in sales outside of the United States.

Heath Cosgrove, also with the ADO, said that 2,600 companies in Alabama export products. Most are small to medium-sized companies. "These are the sustainable jobs," he said.

Between 2004 and '07, merchandise exports increased by 60 percent in Alabama. The national average was 42 percent.

Cosgrove talked about the Export Alabama Trade Alliance, which provides education, training and networking opportunities, offering "legwork for companies" interested in international trade.

The ADO officials also explained the importance of barge traffic on Alabama waterways along with the port in Mobile.